

this week. On Monday, the Congressional Budget Office, or the CBO, released its biannual "Budget and Economic Outlook" report and the projections for the next decade are very sobering. The nonpartisan study found that over the next decade our country will grow to nearly \$30 trillion in debt. Folks, that is \$30 trillion. This is unbelievable. It is unmanageable.

A number this large is nearly impossible to comprehend. Maybe that is why this seems to have gone unnoticed, buried under headlines about Presidential politics, Super Bowl 50, Snowzilla, and Apple's latest earnings statement. But what we can comprehend is who is responsible for paying off this debt eventually. We are—the American people.

With nearly \$19 trillion in debt today and over \$100 trillion in future unfunded liabilities, we are well past the tipping point. This means each American family is responsible today for nearly \$1 million of this debt. In addition, the Social Security and Medicare trust funds are expected to go to zero in roughly 15 short years.

According to an AEI analysis of this CBO report, spending on Social Security, Medicare, and other health care programs will grow at an average annual rate of 5½ percent from 2016 to 2026, pushing spending on Social Security and health care alone to upwards of \$4.1 trillion in 2026—just 10 short years from now.

This is more than we spent last year on the entire Federal Government. This is not 20 years from now. This is in the immediate future. We will be spending more on these items than we did last year on the entire Government.

My colleagues on the other side of the aisle recognize that we have a crisis. We all agree. However, their solution is simply to tax the working people of America more. That is exactly what we have been doing. It is not working.

In the last 15 years, our Federal Government spending has grown from \$2.4 trillion in the year 2000 to \$3.7 trillion in constant 2015 dollars last year. Because of that, over this same period—from 2000 to 2015—our Federal debt has grown from \$6 trillion in 2000 to \$19 trillion today. It is unbelievable.

However, last year the Federal Government collected \$3.2 trillion in taxes. This is the largest amount ever in our history. We have a spending problem, not a revenue problem. Furthermore, our country's debt is not interest-free. Taxpayers are already paying immensely for Washington's fiscal malfeasance.

Last month, interest rates increased one-quarter of a point—only one-quarter of a point. But this equates to almost \$50 billion of new interest expense every single year. Our country must borrow even more money to pay this additional interest expense. That is a true measure of total insolvency. This interest rate increase is widely sus-

pected to be followed by another increase later this year.

Imagine if interest rates go up to just their 50-year average of 5½ percent, taxpayers would be paying almost \$1 trillion in interest. This is more than twice what we spent on our military. It is more than twice what we spend on our discretionary nonmilitary spending. It is unmanageable, and we have to deal with it right now.

Having been in the business world for over 40 years, there are four words that I used to hear often and we used them frequently: "We cannot afford it." I personally have not heard these words once in Washington over this past year, my first year in the Senate. We simply cannot afford all we are spending today, and CBO says it will only get much worse.

Just look at Washington's grand bargain this past year. I voted against this bad policy because it significantly added to the national debt and eradicated the conservative budget we put in place last year, which did cut \$7 trillion out of the President's budget request of last year.

Additionally, President Obama's economic failures and disastrous health care law have dangerously set our debt up to soar even higher after he leaves office. CBO projects ObamaCare will enroll 40 percent less participants than expected in 2016. This will result in the Federal Government spending more money to support the failed marketplace exchange so it does not collapse. The Hill reports that "spending on the marketplace is expected to rise to \$56 billion next year, up from \$38 billion this year. Within a decade, that total is expected to double to more than \$109 billion." Plus, spending on health care programs has already jumped from \$671 billion in 2008 to over \$1.1 trillion this year. CBO projects that health care spending will nearly double in the next 10 years, reaching \$2 trillion in 2026. This is a train wreck, and it is here.

Clearly, Washington cannot continue spending like this, and we have to make the changes necessary today. We have already reached the point where our Federal debt has become the greatest threat to our national and global security. At this point, we cannot pay for the tools needed to defend our country.

Last year we spent nearly 3.2 percent of GDP on defense—less than the 30-year average of 4.2 percent of GDP. This is the lowest level in over a decade. We have been at war for more than a decade, and in the process we have totally worn out our military equipment and desperately need to recapitalize and update it. More concerning, we are wearing out our people and cannot fully support our women and men on the frontlines.

This crisis is here right now. It is real, and it is dangerous and threatens our very way of life. These are economic realities we must come to grips with quickly in order to turn things around and change the direction of our

country. We can solve our national debt crisis, but Washington's business-as-usual approach must change and lawmakers must start saying: We cannot afford it.

Solving the debt crisis starts with totally reinventing the failed budget process, which has only worked four times in the past 40 years. We have to also reduce the size of our Federal bureaucracy and start with redundant agencies. Washington already has 256 government programs running on autopilot, costing taxpayers \$310 billion a year, and there are hundreds of billions of dollars in duplicate programs and more opportunities to reduce waste.

It goes without saying that we need to get our economy growing again. We can do it by changing our archaic tax laws, by eliminating unnecessary regulations stifling our free enterprise system, and by finally unleashing the full potential of our energy resources here in America responsibly. We will not solve this debt crisis until we save Social Security and Medicare and address our spiraling health care costs.

The solutions to these will take decades, but we have to start now. The CBO report reveals a stark reality: We are simply out of time. This debt crisis can no longer be ignored. It is here now. Washington must face up to that stark reality. We simply must start making the tough decisions required to put a plan in place to reduce this outrageous debt. We must do this right now for our future, for our children, and for our children's children.

I yield my time.

The PRESIDING OFFICER. The Senator from Delaware.

DEFICIT REDUCTION

Mr. CARPER. Mr. President, I come to the floor this afternoon to talk a bit about developments that involve our Nation, Iran, and the other five nations that joined us in negotiating the joint agreement. And we are encouraged that it will reduce—maybe substantially—the likelihood that Iran will build a nuclear weapon in the near future or even a good deal beyond that.

I came to the floor to talk about that subject, but after hearing the previous speaker, I felt compelled to say a few things. I am a recovering Governor. I was the Governor of Delaware for 8 years, and we balanced our budget 8 years in a row, cut taxes. I have been told that more jobs were created during those 8 years than at any other time in Delaware history.

I chaired the Senate Committee on Homeland Security and Governmental Affairs. We worked closely with GAO. We actually worked very closely with the Bowles-Simpson folks about 5 or 6 years ago. They came up with three ideas for deficit reduction and to make sure that we do it for the long haul.

The Bowles-Simpson Commission was formed at a time when deficit was \$1.4 trillion. For those who are following it, the deficit is still too high, but it has

been reduced by more than two-thirds—I think it may have even been close to three-quarters—and that is good.

There are things we need to do for further deficit reduction.

No. 1, we need to really consider what we do with our entitlement programs. The Bowles-Simpson Commission suggested that we make some changes and that we make them in ways which do not harm older people and which will save these programs for our children and grandchildren. I think that is very important, and that is one thing we need to do.

No. 2, we need some additional revenues. We actually had four balanced budgets in a row during the last 4 years of the Clinton administration. If you look at revenues as a percentage of GDP in those 4 years, it was 20 percent. Revenues as a percentage of GDP for the 4 years we had a balanced budget was 20 percent. When you look at spending as a percentage of GDP during those 4 years, the last 4 years of the Clinton administration, it was 20 percent. During that time we had a balanced budget. In fact, we had a little surplus. But all of that got away from us in the 8 years that followed. After we had a change in administrations, the deficit piled up to \$1.4 trillion. Well, we have been ratcheting it down, and now we are recovering from the worst recession since the Great Depression. Can we do better than that? Sure we can do better than that.

In terms of deficit reduction, entitlement reform actually saves money, save these programs for our kids and our grandchildren, and doesn't harm old people and poor people.

The third thing we need is tax reform that generates revenues and hopefully reduces some rates, especially on the corporate side, where we are out of step with the rest of the world.

The fourth thing we need to do is look at everything we do in order to find ways to save money. I will always remember a woman who came to one of my townhall meetings early in my time as a Congressman years ago, and her message to me, which I have never forgotten, was "Congressman Carper, I don't mind paying for additional taxes; I just don't want you to waste my money." That is what she said. "I don't mind paying for additional taxes; I just don't want you to waste my money." I think most people in this country feel that way.

As it turns out, one of the jobs of GAO—the Government Accountability Office—as a watchdog on spending for us is every 2 years they provide to the Congress a high-risk list of ways we are wasting money. When Tom Coburn and I led the Homeland Security and Governmental Affairs Committee, we used that as kind of our shopping list that we used to offer changes in spending and changes in revenues—especially in government collection—that would actually further reduce the deficit. We have taken action on a bunch of the

ideas from GAO, and we need to find additional steps to take that provide part of the blueprint. Every major agency has inspectors general, and many of them regularly give us recommendations on how to save more money. Those reports should not just go up on a shelf somewhere but should be an action plan for us. So there is work for all of us to do.

The last thing I will say is that health care costs as a percentage of GDP in my time as Governor—actually, after I stepped down as Governor in 2001—which was pretty flat during the mid-to-late 1990s, started to rise again and continued to rise until right around 2010, 2011. At that time health care costs as a percentage of GDP in this country had risen to 18 percent.

When I ask a friend of mine how he is doing, he says: Compared to what? Well, how about comparing it to Japan? In Japan health care costs as a percentage of GDP are about 8 percent. We were 18 percent and they are at 8 percent. They get better results, longer life expectancies, and lower rates of infant mortality. They cover everybody.

Four or 5 years ago, we had 40 million people going to bed without health care coverage at all, and we didn't get better results and we were spending 18 percent of GDP. The good news is that since the Affordable Care Act—I wrote parts of it, and I am proud of the part I worked on. But there are things we need to change, and my hope is that some day we get to a point in time where Democrats and Republicans, instead of just trying to kill and get rid of it, will say that there are some good things in this legislation and some good things that will be coming, and one of the good things that is coming is that health care costs as a percentage of GDP are not 18 percent anymore. They are coming down. The impact on deficit reduction is actually quite positive because of this legislation.

NUCLEAR AGREEMENT WITH IRAN

Mr. CARPER. Mr. President, those are some things I didn't plan to say but I felt compelled to say as a warmup to what I really wanted to say, and that is to talk about the agreement we struck with Iran and some of the things that have been happening since then with us, the United States, and five other nations.

Over the past couple of weeks, the Obama administration's decision to engage with Iran, along with these other five nations, through diplomacy instead of military action has faced key tests. The results are in, and the agreement that we struck—the United States, the Brits, the Germans, the French, the Chinese, the Russians, and the Iranians—appears to be working thus far, and, God willing, we may actually be on our way to being safe as a result.

This test began on the high seas 2 weeks ago when the United States and Iran faced a crisis that could have

ended tragically. Two U.S. Navy vessels carrying a total of 10 crewmembers strayed into Iran's territorial waters. They were detained by Iran, and as many of us know, they appeared on Iranian television. The American vessels were somewhere they should not have been. It was a mistake.

As a former naval flight officer who served 5 years in a hot war in Southeast Asia and another 18 years—right up to end of the Cold War—as a P3 aircraft mission commander, I know this is a mistake we never want to make. Defense Secretary Ash Carter acknowledged that the error had been made, and the sailors were released unharmed within 24 hours of being detained. Flashbacks of past hostage crises and destabilizing tensions were on all of our minds as we watched this story unfold. However, thanks to a more cooperative and productive diplomatic relationship with Iran, the sailors were released within 24 hours.

As the week came to a close, we saw additional encouraging validations that the administration's Iran strategy is beginning to bear fruit. Following months of the most intrusive nuclear inspections in history, international weapons inspectors concluded that Iran had indeed followed through on its pledge in the nuclear deal to dismantle the parts of its nuclear program that were clearly not intended for peaceful purposes.

The International Atomic Energy Agency certified that Iran had reduced its stockpile of enriched uranium by 98 percent and that the remaining uranium was only enriched to levels consistent with peaceful energy uses. The inspectors certified that nearly 15,000 centrifuges for enriching uranium have been dismantled. That leaves Iran with only its least sophisticated centrifuges, which can be used solely for peaceful purposes. The inspectors revealed that a special reactor for producing the kind of plutonium needed for a nuclear bomb in Iran will produce no more. It has been filled with concrete instead. Finally, the nuclear watchdogs certified that the inspections and monitoring systems of Iran's nuclear facility and nuclear supply chain have been stood up to ensure Iran's compliance with the nuclear deal.

All of this happened much faster than most of us would have expected. It certainly happened faster than I expected it would. In fact, some critics of the nuclear deal said that Iran would never live up to the promises it had made—never. Yet, despite that skepticism, today we see an Iran that has taken irreversible steps to dismantle its nuclear weapons program in order to make good on its pledges.

Amid the nuclear deal's implementation, the United States achieved another diplomatic breakthrough with Iran—one that I and a number of my colleagues had a hand in.

The Iranians released five individuals—all dual U.S.-Iranian citizens—that they had been detaining in Iran